
ORDINANCE

TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$1,308,200 GENERAL OBLIGATION BONDS AND NOT EXCEEDING \$1,308,200 GENERAL OBLIGATION BOND ANTICIPATION NOTES OF JASPER COUNTY, SOUTH CAROLINA FOR THE PURPOSES OF DEFRAYING THE COSTS OF ACQUIRING AND CONSTRUCTING THE MARSH COVE FIRE SUBSTATION AND OTHER PUBLIC USES; TO PROVIDE FOR THE PAYMENT THEREOF; AND OTHER MATTERS RELATING THERETO.

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NOW, THEREFORE BE IT ORDERED AND ORDAINED by the County Council of Jasper County, South Carolina, in Council assembled, and by the authority thereof, as follows:

As an incident to the enactment of this Ordinance and the issuance of the bonds and bond anticipation notes provided for herein, the County Council of Jasper County, South Carolina (the “County Council”), the governing body of Jasper County, South Carolina (the “County”), find that the facts set forth herein exist and the statements made with respect thereto are true and correct.

WHEREAS, the County Council, in Ordinance No. 09-19, has previously determined to establish, operate, and maintain a system of fire protection in the Cherry Point portion of Jasper County and known as the “Cherry Point Fire Protection District” and, pursuant to the provisions of Title 4, Chapter 19 of the Code of Laws of South Carolina 1976, as amended, has, from time to time designated such area where fire protection service may be furnished by the County under the provisions thereof (the area designated by County Council is referred to herein as the “District”); and

WHEREAS, the County Council, in Ordinance No. 2019-18, updated the boundaries of the District; and

WHEREAS, by virtue of Title 4, Chapter 19 of the Code of Laws of South Carolina 1976, as amended, as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended (collectively, the “Bond Enabling Act”), the County is authorized to issue general obligation bonds of the County for the purpose of raising moneys to establish, maintain, and operate a fire protection system and to purchase the necessary fire-fighting equipment and to construct, acquire, and build the necessary fire stations and to acquire sites for the stations; and

WHEREAS, the County Council has authority by virtue of Section 4-9-25 of the Code of Laws of South Carolina 1976, as amended, to enact regulations, resolutions, and ordinances, not inconsistent with the Constitution and general law of the State of South Carolina, including the exercise of powers in relation to health and order in Jasper County or respecting any subject as appears to them necessary and proper for the security, general welfare, and convenience of Jasper County or for preserving health, peace, order, and good government therein; and

WHEREAS, the County Council have determined that it is in the County’s best interest to construct a fire substation (the “Project”) in the Marsh Cove area of Jasper County, South Carolina, which is located within the District; and

WHEREAS, Article X, Section 12 of the South Carolina Constitution prohibits the issuance of general obligation bonds of any county to finance fire protection facilities benefitting only a particular geographic section of the county unless a special assessment, tax, or service charge in an amount designed to provide debt service shall be imposed upon the areas or persons receiving the benefit therefrom; and

WHEREAS, County Council hereby determines to provide for the levy and collection of an annual ad valorem tax within the District which will be sufficient to provide for the payment of the principal and interest on the general obligation bond to be issued hereunder, and the respective requirements of Article X, Section 12 of the South Carolina Constitution and Section 4-19-30(a) of the Bond Enabling Act with respect to the issuance of the general obligation bond provided for herein have been met; and

WHEREAS, by virtue of Article X, Section 14(7)(b) of the South Carolina Constitution, general obligation debt incurred pursuant to and within the limitations prescribed by Article X, Section 12 of the South Carolina Constitution shall not be considered in determining the debt limitations imposed by Article X, Section 14(7)(a) of the South Carolina Constitution; and

WHEREAS, Article X, Section 14, Paragraph 9 of the Constitution of the State of South Carolina and Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended (the “Note Enabling Act”) authorize the County Council to incur general obligation indebtedness in anticipation of the receipt of the proceeds of the general obligation bond; and

WHEREAS, the County has arranged suitable permanent financing of the construction of the Project in the form of a loan (the “Loan”) from the United States Department of Agriculture Rural Development, an agency of the federal government (“USDA RD”), through the Rural Housing Services loan program pursuant to the terms of a Letter of Conditions dated August 19, 2019, a copy of which is attached to this ordinance as Exhibit D (the “RD Letter of Conditions”); as a condition to the Loan, USDA RD requires that a general obligation bond be issued to the USDA RD as security for the Loan; and

WHEREAS, the RD Letter of Conditions sets forth the terms and conditions of the Loan, including the maximum amount of the Loan (\$1,308,200.00) and the repayment schedule of the Loan; and

WHEREAS, the County Council have now found and determined that it is in the best interest of the County, and necessary and proper for the general welfare of the County and its citizens that this Ordinance be enacted in order to:

(i) authorize the execution and delivery on behalf of the County of its general obligation bond to provide financing, in accordance with the terms of the RD Letter of Conditions, of the construction of the Project;

(ii) provide that the payment of the Loan and the general obligation bond shall be secured by the full faith, credit, and taxing power of the County;

(iii) provide for the levy and collection of an annual ad valorem tax within the District which will be sufficient to provide for the payment of principal and interest on the Loan and the general obligation bond when due;

(iv) authorize the execution and delivery by the County of such other agreements and certificates and the taking of such other action by the County and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this Ordinance; and

(v) until such time as the general obligation bond is issued with respect to the Loan, to provide interim financing of costs of the Project through the issuance of general obligation bond anticipation notes;

NOW, THEREFORE, on the basis of the foregoing authorizations and for the purposes set forth above, the County Council enact this Ordinance to effect the issuance and sale of not exceeding its \$1,308,200 general obligation bond and not to exceed \$1,308,200 general obligation bond anticipation notes of the County authorized by the Bond Enabling Act and Note Enabling Act.

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1 **Defined Terms.**

The terms defined in this Article (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Ordinance shall have the respective meanings specified in this Article.

“Administrator” shall mean the County Administrator of the County or in his absence any assistant or acting administrator of the County.

“Bond Enabling Act” shall mean Title 4, Chapter 19 of the Code of Laws of South Carolina 1976, as amended, as further amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended.

“Bond” shall mean the Fire Protection Service General Obligation Bond (Cherry Point Fire Protection District) of the County authorized to be issued hereunder from time to time in the aggregate principal amount of not to exceed \$1,308,200.

“Bond Counsel” shall mean the firm of Howell Linkous & Nettles, LLC or another firm of attorneys of nationally recognised standing in the matters pertaining to the validity and federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

“Books of Registry” shall mean the registration books maintained by the County in accordance with Section 6 of Article II and Section 9 of Article VI hereof.

“Chairman” shall mean the Chairman of the County Council, or in his absence the Vice-Chairman of the County Council.

“Clerk” shall mean the Clerk of County Council or, in her absence, the acting Clerk of the County Council.

“Consulting Engineer” shall mean the engineering or consulting firm named as “Consulting Engineer” for purposes of this Ordinance by written certificate of the Chairman.

“County” shall mean Jasper County, South Carolina, its successors and assignees.

“County Council” shall mean the County Council of Jasper County, South Carolina, the governing body of the County or any successor governing body of the County.

“District” shall mean the Cherry Point Fire Protection District created pursuant to County Ordinance No. 09-19, as amended, including as most recently updated and amended by Ordinance No. 2019-18.

“Fire Protection Service Debt Service Tax” shall mean the ad valorem taxes imposed by the County Council in the District in accordance with Section 4-19-30(a) of the Bond Enabling Act.

“Government” shall mean the United States Department of Agriculture Rural Development, an agency of the federal government.

“Interest Payment Date” shall mean the dates selected for payment of interest on the Bond as provided in Article II hereof or the Notes as provided in Article VI hereof.

“Loan” shall mean the loan to the County from the USDA RD through the Rural Housing Services loan program pursuant to the terms of the RD Letter of Conditions.

“Note Enabling Act” shall mean Title 11, Chapter 17 of the Code of Laws of South Carolina 1976, as amended.

“Notes” shall mean the Fire Protection Service General Obligation Bond Anticipation Notes (Cherry Point Fire Protection District) authorized to be issued hereunder, in the aggregate principal amount of not to exceed \$1,308,200 outstanding at any one time.

“Ordinance” shall mean this Ordinance, as amended as permitted hereunder.

“Ordinance No. 09-19” shall mean Ordinance No. 09-19 enacted by the County Council on July 20, 2009, as amended from time to time.

“Ordinance No. 2019-18” shall mean Ordinance No. 2019-18 enacted by the County Council

on July 15, 2019, as amended from time to time.

“Paying Agent” shall mean the Jasper County Treasurer.

“Project” shall mean the construction of the Marsh Cove Fire Substation in Jasper County, South Carolina.

“RD Letter of Conditions” shall mean the Letter of Conditions dated August 19, 2019, a copy of which is attached to this ordinance as Exhibit D.

“Registered Owner” shall mean the registered owner of the Bond or the Notes, as applicable, as indicated in the Books of Registry.

“Sinking Fund Account” shall mean the sinking fund account established and held by the Treasurer of Jasper County designed to provide for the payment of the principal of, premium, if any, and interest on the Bond or the Notes, as applicable, as the same respectively fall due.

“USDA RD” shall mean the United States Department of Agriculture Rural Development, an agency of the federal government.

Section 2 General Rules of Interpretation

For purposes of this Ordinance, except as otherwise expressly provided or the context otherwise requires:

(a) Articles, Sections, and Paragraphs, mentioned by number are the respective Articles, Sections, and Paragraphs, of this Ordinance so numbered.

(b) Except as otherwise expressly provided or unless the context otherwise requires, words importing persons include firms, associations, and corporations, and the masculine includes the feminine and the neuter.

(c) Words importing the redemption or redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

(d) Words importing the singular number include the plural number and *vice versa*.

(e) The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation, or effect of this Ordinance.

ARTICLE II
LOAN AND BOND

Section 1 **Authorisation of Loan and Bond**

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized to enact ordinances in relation to health and order in the County or respecting any subject as appears to Council necessary and proper for the security, general welfare, and convenience of the County or for preserving health, peace, order, and good government in the County, and to issue general obligation bonds for such purposes payable from an annual *ad valorem* tax which will be sufficient to provide for the payment of the principal and interest on the bonds to be issued. The Council hereby authorizes the Loan. Pursuant to the Bond Enabling Act, and in order to defray the costs of acquisition of the Project, there shall be issued by the County a not exceeding \$1,308,200 Fire Protection Service General Obligation Bond (Cherry Point Fire Protection District), dated its date of delivery and bearing interest at the rate of 3.50% per annum. The Loan shall be evidenced by the Bond, which will be issued in substantially the form attached hereto as Exhibit A, with such changes which impose no additional liability on the County as the executing officers shall approve (their execution to be conclusive evidence of such approval). The Loan and the Bond are hereby approved and the execution and delivery of the Bond is hereby authorized and directed

(b) The Bond shall be payable annually, beginning one year from the date of delivery of the Bond and closing of the Loan (if such date be the 29th, 30th, or 31st day of the month, then on the 28th day of each month) and on the same day of each year through and including final maturity which will be not to exceed thirty (30) years from the date of the delivery of the Bond and closing the Loan, as follows: interest only for the first three (3) annual payments followed by twenty-seven (27) fully amortized annual installments of both principal and interest in the amount of not exceeding \$75,693.00.

(c) Pursuant to the provisions of Sections 4-19-120 and 11-27-40(9)(c) of the Code of Laws of South Carolina 1976, as amended, the Bond shall be sold to USDA RD in a private sale at a price of par.

(d) The Bond shall be designated “Fire Protection Service General Obligation Bond (Cherry Point Fire Protection District)” with such series designated as approved by the Administrator. The Bond shall be in fully-registered form and may be numbered from R-1 upward, as approved by the Administrator.

Section 2 **Prepayment of Bond**

(a) On any Interest Payment Date beginning with the first Interest Payment Date, the principal installments on the Bond may be prepaid prior to their due dates at the option of the County, either in whole or in part, from any money which may be made available for such purpose or deposited with or paid to the Registered Owners on or before the due date of such installments. If

installments are prepaid in part, such prepayments shall be in the inverse chronological order of such installments in whole multiples of \$1,000.

(b) Prepayment of principal under this Section shall be made by the payment of the principal amount to be prepaid and accrued interest thereon to the date fixed for prepayment, without premium or penalty.

(c) While the Bond is held by a party other than USDA RD (the "Government"), prepayments made by the County may, at the option of the Government, be remitted by the Government to the Registered Owner promptly or, except for the final payment, be retained by the Government and remitted to the Registered Owner on either a calendar quarter basis or an annual basis. The effective date of every prepayment made by the County, except payments retained and remitted by the Government on an annual basis, shall be the date of the United States Treasury check by which the Government remits the payment to the Registered Owner. The effective date of every prepayment retained and remitted by the Government to the Registered Owner on an annual basis, shall be the date of prepayment by the County, and the Government will pay the interest to which the Registered Owner is entitled accruing between the effective date of such prepayment and the date of the United States Treasury check by which the Government remits the payment to the Registered Owner.

Section 3 Medium of Payment

Both the principal of and interest on the Bond shall be payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

Section 4 Execution of Bond

The Bond shall be executed in the name of the County by the manual signature of the Chairman, and attested by the manual signature of the Clerk, and the seal of the County shall be impressed or reproduced on the Bond. The execution of the Bond in this fashion shall be valid and effective notwithstanding changes in the personnel of any of the above offices subsequent to its execution.

Section 5 Assignment and Transfer of Bond by the Government

The Government at any time may assign and transfer the Bond in the manner hereinafter prescribed (and, if it wishes, insure the payment thereof) and, in such case, notwithstanding that the Bond shall no longer be held by the Government, the County shall continue to effect the payment of all sums due hereon by way of principal and interest to the Government, as collection agent for the Registered Owner.

Section 6 Registration and Transfers of Bond

The Bond shall at all times be registered as to principal and interest in the name of the Registered Owner on the Books of Registry to be maintained in the offices of the County, and each transfer to be valid shall be made on the Books of Registry and similarly noted on the Bond.

Section 7 Mutilated, Lost, Stolen, or Destroyed Bond

In the event the Bond is mutilated, lost, stolen, or destroyed, the County shall execute and deliver a new Bond of like date, maturity, interest rate, and denomination, as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bond, they shall first be surrendered to the County, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the County evidence of their loss, theft, or destruction satisfactory to the County. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense involved.

Section 8 Register Owner of Bond

The person in whose name the Bond shall be registered on the Books of Registry shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Bond shall be made only to or upon the order of the Registered Owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

ARTICLE III

SECURITY FOR BOND

Section 1 Pledge of Full Faith, Credit, and Taxing Power; Additional Pledged Revenues.

(a) Pursuant to the provisions of Section 4-19-30(a) of the Bond Enabling Act and Section 12 of Article X of the South Carolina Constitution, there shall be levied annually by the Auditor of Jasper County, and collected by the Treasurer of Jasper County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the District, sufficient to pay the principal and interest of the Bond as they respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

(b) For the payment of the principal of and interest on the Bond as the same shall become due and payable, and for the creation of such Sinking Fund Account as may be necessary therefor, the full faith, credit, and taxing power, of the County are irrevocably pledged. There shall be levied annually by the Auditor of Jasper County, and collected by the Treasurer of Jasper County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the County, sufficient to pay the principal and interest of the Bond as they respectively mature, and to create such Sinking Fund Account as may be necessary therefor; provided, however, that revenues from the Fire Protection Service Tax described in paragraph (a) of this Section to be levied in the District to effect the payment of principal of and interest on the Bond must be available

for the payment of debt service on the Bond, and must be delivered to the Treasurer of Jasper County for the payment of principal of and interest on the Bond and for no other purpose, prior to the occasion when the Auditor of Jasper County fixes the annual tax levy, and the annual ad valorem tax to be levied for the payment of the principal of and interest on the Bond on all taxable property in the County may be reduced in each year by the amount of revenues derived from the Fire Protection Service Tax levied in the District which are actually in the hands of the Treasurer of Jasper County at the time the tax for the year is required to be levied; provided, further that the Bond is primarily to be paid from the Fire Protection Service Tax and for the payment of principal thereof and interest thereon, as the same mature, there must be levied and collected the Fire Protection Service Tax upon all taxable property in the District, and resort to the County tax levy required by the preceding provisions of this paragraph (b) must be made only in the event that funds from the Fire Protection Service Tax levied in the District pursuant to paragraph (a) prove insufficient to meet the payment of the principal of and interest on the Bond.

(c) The County Council expressly reserve the right to pledge revenues derived from the Fire Protection Service Tax to secure the payment of other fire protection service general obligation bonds of the County to be issued for fire protection services within the District, and to apply such revenues that are not required to pay current debt service on the Bond to other legally permissible uses under the Bond Enabling Act.

Section 2 Notice to Levy and Collect Taxes

The Auditor and Treasurer of Jasper County, South Carolina, shall be notified of the issuance of the Bond and, (a) directed to levy and collect, respectively, upon all taxable property in the District, an annual tax, without limit, sufficient to meet the payment of the principal of and interest on the Bond, as the same respectively mature, and to create such Sinking Fund Account as may be necessary therefor, and (b) subject to the provisions of Section 1 of this Article, directed to levy and collect, respectively, upon all taxable property in the County, an annual tax, without limit, sufficient to meet the payment of the principal of and interest on the Bond, as the same respectively mature, and to create such Sinking Fund Account as may be necessary therefor.

ARTICLE IV

CONSTRUCTION FUND

Section 1 Use of the Bond Proceeds to Construct Project.

(a) As provided in Section 2 hereof, there is created and established the Construction Fund. The custodian of the Construction Fund shall be a bank or trust company as approved by the County Council.

(b) The entire proceeds of the Bond will be allocated to the payment of (i) the costs of issuance of the Bond, (ii) costs of acquisition and construction of the Project, or (iii) the repayment of principal of and interest on the Notes, the proceeds of which were applied to the payment of the costs of issuance of the Notes and the costs of acquisition and construction of the Project.

(c) The County will continue with the construction of the Project and substantially in accordance with plans, specifications, and recommendations prepared by the County by the Consulting Engineer, and with the acquisition and installation of such items of machinery and equipment as are specified in such plans, specifications, and recommendations.

Section 2 Construction Fund.

At or prior to delivery to the Government as the purchaser of the Bond, there will be created by the County in the custodian designated in Section 1 of this Article whose deposits are insured by the Federal Deposit Insurance Corporations, a separate account or accounts to be collectively designated as the Jasper County 2020 Marsh Cove Fire Substation Construction Fund (herein sometimes designated as the Construction Fund), into which shall be deposited all proceeds from the sale of the Bond, and any other funds acquired by gift, donation, grant, or otherwise for the construction of the undertaking and any additional funds which may be required to be furnished by the County in order to assure the payment of all costs of the undertaking. Moneys in the Construction Fund shall be expended only for the payment of the costs of acquiring, constructing, and equipping the Project and for acquiring property both real and personal necessary therefor and paying expenses incident thereto, and there shall be not be paid out from the Construction Fund any sums except in accordance with this Ordinance.

Section 3 Maintenance of Construction Fund.

The County will cause the Construction Fund custodian, at all times, to keep the funds on deposit in the Construction Fund continuously secured for the benefit of the County and the owners of the Bond, either (a) by holding on deposit, as collateral security, direct general obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, or other marketable securities eligible as security for the deposit of trust funds under the regulations of the Board of Governors of the Federal Reserve System, having a market value exclusive of accrued interest of not less the amount on deposit in the Construction Fund, or (b) if the furnishing of security of such manner is not permitted by the then applicable law or regulations, then, in such other manner as may be required or permitted by then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of trust funds, provided however, that it shall not be necessary for the depository so to secure and portion of the funds on deposit in the Construction Fund that is insured by the Federal Deposit Insurance Corporation or other agency of the United States of America that may succeed to its functions, and provided further that it shall not be necessary for the depository so to secure any portion of the funds on deposit in the Construction Fund that is, at the time, invested pursuant to the provisions of the next succeeding Section hereof.

Section 4 Investment of Moneys in Construction Fund.

When the money on deposit in the Construction Fund exceeds the current requirements for obligations to be incurred in the construction of the Project, as such requirement may be estimated by the Consulting Engineer, the Construction Fund custodian is hereby authorized and when directed in writing by the County shall be empowered to invest such excess funds in direct general obligations of, or obligations the principal of and interest on which are unconditionally guaranteed

by, the United States of America, which shall mature and become due at such times or in such manner as will make funds available for the payment of the obligations of the Construction Fund as estimated, but not later than eighteen months after the date of such investment, and which shall be subject to redemption at any time. The securities in which such funds are so invested shall become a part of the Construction Fund, and all income derived therefrom shall be deposited in the Construction Fund. The Construction Fund depository shall, from time to time, sell or otherwise convert into cash, any such securities if such sale or conversion is necessary to provide for payments of a requisition or payment request presented pursuant to the provisions of this Article, whereupon the net proceeds from such sale or conversion shall be deposited in the Construction Fund.

Section 5 Lien on Construction Fund.

All money in the Construction Fund or obligations held for such fund shall be subject to a lien or charge in favor of the owners of the Bond and the Notes and shall be held for the future security of such owners until paid out as herein provided.

Section 6 Costs of the Project.

For the purpose of this Article, the cost of acquiring, constructing the improvements, and equipping the Project to be paid from the Construction Fund shall include the costs shown in the engineering recommendations, plans, and specifications which have been filed in the office of the County, which describe and define the Project to be acquired, and which may, but shall not necessarily include the purchase and condemnation of land, easements, and rights-of-way, and any and all appurtenant facilities and necessary materials for acquisition, construction, and equipment of the Project which, in addition, shall include the cost of land acquisition, necessary travel expenses, costs which may be imposed by the United States of America to reimburse it for its field expenses incurred in connection with the undertaking, taxes or other governmental charges, if any, lawfully levied or assessed upon the Project or upon any property acquired therefor during construction, premiums on insurance, if any, in connection with the said Project during construction, fees and expenses of engineers and architects for surveys, estimates, preparation of plans, specifications, and drawings and supervising of construction, as well as for the performance of all other duties of such engineers and architects in relation to the Project, actual expenses of administration of construction, telephone, telegraph, office, and legal expenses, audits, and all other costs or expenditures not herein specified incident to the acquisition and construction of and equipment for the Project, including costs of examination of titles and title insurance, the preparation, issuance, marketing printing and engraving of bonds, financing charges and all expenses incident to the financing of the Project, all other expenses preliminary to construction of such Project, and preliminary to authorization, and issuance of the Bond, including the investigation and expenses incident thereto, obligations incurred for labor and to contractors, builders, suppliers, and materialmen in connection with the construction of the Project and for machinery and equipment needed for such construction and for the placing of such Project into operation, and obligations incurred for the restoration of property damaged or destroyed in connection with the construction.

Section 7 Completion of Construction.

Said construction, acquisition, and equipment will be completed as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy, and similar acts beyond the reasonable control of the County only, expected. The County will promptly pay or cause to be paid, as and when due, all expenses incurred in and about the Project and will not suffer or permit any mechanics' or materialmen's liens that might be filed or otherwise claimed or established upon or against the Project or any part thereof (if such be permitted by law) to remain unsatisfied and undischarged for a period exceeding thirty days after the filing or establishing thereof, provided, however, that the County may in good faith, contest any such mechanics' or materialmen's lien claims so filed or established, and in the event that such lien claims are so contested, may permit the mechanics' or materialmen's liens so contested to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom, irrespective of whether such period extends beyond the thirty day period after filing or establishment of such liens, unless such action, the lien or charge thereof on any part of the Project shall be materially endangered or the Project or any part thereof shall be subject to loss or forfeiture in which event, such mechanics' or materialmen's liens shall be promptly satisfied.

Section 8 Payments from Construction Fund.

All payments from the Construction Fund shall be made upon checks signed by the officers of the County properly authorized to sign in its behalf and when any such check shall be for payment of labor, contractors, builders, materialmen, machinery, or equipment, it shall be accompanied by a certificate of such officers certifying that (a) an obligation in the stated amount has been incurred by the County and that the same is a proper charge against the Construction Fund and has not been paid and specifying the purpose and circumstances of such obligation in reasonable detail and to whom such obligation is owed, and shall be accompanied by the bill or statement of account for such obligation or a copy thereof, (b) such officers have to notice of any vendor's mechanics', or other liens or rights to liens, chattel mortgages, or conditional sales contracts which should be satisfied or discharged before such payment is made, and (c) such bill or statement of account contains no item representing payment on account of any retained percentages which the County is, at the date such certificate, entitled to retain, and whenever such obligation shall be incurred for work, material, supplies, or equipment was actually installed for work, material, supplies, or equipment in connection with the undertaking and that such work was actually performed on, or that such material, supplies, or equipment was actually installed in or about the construction or was delivered at the site of the work that purpose and shall state further that the aforesaid certificate of the officers of the County is correct and is approved by such Consulting Engineer and that such obligation has been properly incurred and is due and unpaid.

Section 9 Title Opinions and Title Insurance.

Before making any payments for the purchase price of any lands, easements, or rights or interest in or relating to lands, the County shall receive a written opinion of its attorney that the County is authorized to acquire such lands or rights or interest relating thereto and that, upon the payment of such purchase price, the County will acquire merchantable fee simple title to such lands or rights or interest thereon free from all liens or encumbrances except such lien, encumbrance, or

other defects of title which will not have a material adverse effect upon the right of the County to use such lands or rights or interest therein for the purpose intended or which have been guarded against by adequate bond or other form of indemnity. In lieu of this requirement, the County shall have the right to acquire a policy of title insurance issued to the County insuring the title to the land to be acquired in an amount equal to the contemplated improved value of the land which policy shall be issued by a responsible title insurance company authorized to do business in the State of South Carolina.

Section 10 Construction Contracts.

Any contract to construction of the Project shall provide that:

(a) The contractor shall procure and shall maintain during the life of his contract Workmen's Compensation Insurance as required by applicable State law for all of his employee to be engaged in work at the site of the Project under his contract and, in case of any such work sublet, the contractor shall require the subcontractor similarly to provide Workmen's Compensation Insurance for all the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by the contractor's Workmen's Compensation Insurance. In any class of employees engaged in hazardous work on the project under such contract is not protected under the Workmen's Compensation Statute, the contractor shall provide and shall cause each subcontractor to provide adequate employer's liability insurance for the protection of such of his employees as are not otherwise protected.

(b) The contractor shall procure and shall maintain during the life of his contract adequate Contractor's Public Liability Insurance and Vehicle Liability Insurance for injuries, including accidental death, to any one person, and for any one accident, and adequate Contractor's Property Damage Insurance.

(c) The contractor shall either (i) require each of his subcontractors to procure and to maintain during the life of his subcontract, Subcontractor's Public Liability and Property Damage of the type and in the same amount as carried by the contractor, or (ii) insure the activities of his subcontractors in his own policy.

(d) The insurance required under subparagraphs (b) and (c) hereof shall provide adequate protection for the contractor and his subcontractors, respectively, against damage claims which may arise from operations under the contract, whether such operations be by the insured or by any one directly or indirectly employed by him.

(e) The contractor shall procure and shall maintain during the life of his contract Builders' Risk Insurance (Fire and Extended Coverage) on a 100% completed value basis on the insurable portion of the Project. The County, the contractor and subcontractors, as their interests may appear, shall be names as the insured.

(f) The contractor shall furnish the County with certificates showing this type, amount, class of operations covered, effective dates of expiration of policies. Such certificates shall also contain

substantially the following statements: “The insurance covered by this certificate will not be cancelled or materially altered, except after ten days written notice has been received by Jasper County.”

Section 11 Performance Bonds.

Such contractor shall be required to furnish a performance bond in an amount at least equal to one hundred percent of the contract prices as security for the faithful performance of his contract and also a payment bond in an amount not less than one hundred percent of the contract process as a security for the payment of all persons performing labor on the project under his contract furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with law.

Section 12 Certificate of Completion.

(a) When the Project shall been completed, the project engineer shall deliver to the County certificate stating the date of completion, the total cost of labor, material, and equipment, the total cost of the construction thereof, a list of items which have not been paid, and the amount due or, in case of controversy, claimed to be due on account of such items, and the amount remaining in the Construction Fund, and shall also deliver with said certificates a sworn statement of each contractor engaged in the construction that the agreed price of all work done and material furnished for each facilities of the Project has been paid.

(b) The County shall deliver a copy of such certificates of completion to the custodian of the Construction Fund and to the representative of the original purchasers of the Bond.

Section 13 Retention of Documents.

All requisitions and certificates required by this Article shall be retained by the County, subject at all times to inspection by the duly authorized agent or representative of the original purchaser of the Bond.

Section 14 Remaining Moneys in Construction Fund.

When the Project shall have been completed, any balance then remaining in the Construction Fund and not required to pay unpaid costs of construction shall be promptly used to the extent possible for prepayment of principal as provided in Article II, Section 2 hereof, and any residue shall be deposited, in addition to all other sums required to be deposited therein, in the Sinking Fund Account for the Bond.

ARTICLE V
COVENANTS

Section 1 **Covenant to Refinance**

The County hereby covenants and agrees that, should it at any time be able to refinance the Loan and the Bond from a reasonable cooperative or private credit source upon reasonable rate and terms existing in the area for loans for similar purposes and for similar periods of time, upon request from the Government, apply for and accept such refinancing in an amount sufficient to prepay the Bond on the next available prepayment date.

Section 2 **Application of Payments**

Every payment made on any indebtedness evidenced by the Bond shall be applied first to interest computed to the effective date of the payment and then to principal. Refunds and extra payments, as defined in the regulations of USDA RD, according to the source of funds involved, shall, after payment of interest, be applied to the installment last to become due under the Bond and shall not affect the obligation of the County to pay the remaining installments as scheduled herein.

Section 3 **Place of Payments**

All payments by way of principal and interest shall be paid to the Government, or its legal representative, successors or registered assigns at the District Office of USDA RD, Walterboro, South Carolina, without presentation or surrender of this Bond.

Section 4 **Bond and Loan Subject to Regulations**

The Bond is given as evidence of a loan to the County made by the Government pursuant to the Consolidated Farm and Rural Development Act and shall be subject to the present regulations of Rural Development and to its future regulations not inconsistent with the express provisions hereof.

Section 5 **Leases**

Any leases that the County may enter into with respect to this Project must be reviewed by the Government to ensure that ultimate control of the facility is maintained by the County.

Section 6 **Performance Reports**

The County will submit annual performance reports issued by the State of South Carolina to the Rural Development State Office within 30 days of receipt of then report.

ARTICLE VI
AUTHORISATION AND ISSUANCE OF NOTES

Section 1 **Constitutional and Statutory Authorization of Notes**

The County Council is authorized and empowered by Subsection 9 of Section 14 of Article X of the South Carolina Constitution and by the Note Enabling Act to borrow pursuant to the provisions thereof in anticipation of the receipt of the proceeds of the Bond.

Section 2 **Issuance of Notes**

(a) Pursuant to the constitutional and statutory authorization cited above, in order to obtain funds to pay a portion of the costs of the Project, pending the issuance of the Bond, and costs of issuance of the Notes, the County shall borrow an amount, as determined by the Chairman from time to time, but not to exceed \$1,308,200, to be evidenced by one or more series of Notes in the aggregate principal amount outstanding at any one time of not to exceed \$1,308,200, dated the date of their delivery, and maturing on dates designated by the Administrator to be not later than one year after their respective dates of delivery.

(b) The Notes may be renewed from time to time in the event the Bond is not issued prior to their maturity, pursuant to authorization of the County Council by resolution to be duly adopted.

Section 3 **Form of Notes**

(a) The Notes shall be issued in the aggregate principal amount of not to exceed \$1,308,200, in denominations as approved by the Administrator, may be numbered from R-1 and upward consecutively, and shall be in substantially the form attached hereto as Exhibit C, with any necessary changes or appropriate variations, omissions, and insertions as are incidental to the series, numbers, denominations, and registration and transfer provisions as are otherwise permitted or required by law or this Ordinance.

(b) The Notes shall be payable, both principal and interest, in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts. Principal of and interest on the Notes shall be paid when due to the Note holders by the Paying Agent from moneys on deposit with the Paying Agent for such purpose.

Section 4 **Execution of Notes**

The Notes shall be executed in the name of the County by the Chairman, and attested by the Clerk, by their manual or facsimile signatures, and the seal of the County shall be impressed or reproduced on each Note. Any facsimile signature appearing on the Notes may be those of the officers who are in office on the date of the enactment of this Ordinance. The Notes shall be executed in respect of any manual signature by the person or persons holding office when such Notes are ready for delivery. The execution of the Notes in this fashion shall be valid and effectual notwithstanding changes in the personnel of any of the above offices subsequent to their execution.

Section 5 Interest Rates on Notes

The Notes shall bear interest at such interest rate or rates as approved by the Administrator, which interest shall be payable at the maturity of the Notes and on such other Interest Payment Dates as approved by the Administrator.

Section 6 Prepayment or Redemption of Notes

The Notes shall be subject to prepayment or prior redemption upon the terms and conditions as approved by the Administrator.

Section 7 Sale of Notes

The Notes shall be sold at a price or prices, approved by the Administrator as shall have been determined to be in the best interest of the County.

Section 8 Place of Payments; Paying Agent on Notes

Principal of the Notes, when due (whether at maturity or prepayment), shall be payable at the office of the Jasper County Treasurer, or of such other institution as shall have been designated by the Administrator as Paying Agent for the Notes (the “Paying Agent” for the Notes). Interest on any Note shall be payable on each Interest Payment Date by cheque or draught mailed to the person in whose name such Note is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such Interest Payment Date (the “Regular Record Date” for the Notes) by the Paying Agent.

Section 9 Registration of Transfer of Notes; Persons Treated as Owners

(a) Any Note shall be transferable upon the Books of Registry, only by the Note holder or by his attorney, duly authorised in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the County, duly executed by the Note holder or his duly authorised attorney. Upon the transfer of any Note, the County shall issue in the name of the transferee, a new Note or Notes of the same aggregate principal amount as the unpaid principal amount of the surrendered Note.

(b) Any holder of a Note requesting any transfer shall pay any tax or other governmental charge required to be paid with respect thereto. As to any Note in fully-registered form, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and interest on any Note in fully-registered form shall be made only to or upon the order of the registered holder thereof, or his duly authorised attorney, and the County shall not be affected by any notice to the contrary; but the registration may be changed as herein provided. All payments made in this manner shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums paid.

(c) At reasonable times and under reasonable regulations established by the Paying Agent, the Books of Registry for the Notes may be inspected and copied by or delivered to, the County or holders of 25% or more in principal amount of the Notes then outstanding, or a designated representative thereof.

Section 10 Exchange of Notes

The Notes issued in fully-registered form, upon surrender thereof at the office of the County or the Paying Agent, with a written instrument of transfer satisfactory to the County duly executed by the holder of the Note or his duly authorised attorney, may, at the option of the holder of the Note, and upon payment by such holder of any charges which the County may make as provided in Section 9 of this Article, be exchanged for a principal amount of Notes of any other authorized denomination equal to the unpaid principal amount of the surrendered Notes.

Section 11 Mutilated, Lost, Stolen, or Destroyed Notes

In the event any Note is mutilated, lost, stolen, or destroyed, the County may execute a new Note of like denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Note, it shall first be surrendered to the County, and in the case of any lost, stolen, or destroyed Note, there shall be first furnished to the County evidence of the loss, theft, or destruction satisfactory to the County and the Paying Agent, together with indemnity satisfactory to them; provided that, in the case of a holder which is a bank or insurance company, the agreement of the bank or insurance company to indemnify shall be sufficient. In the event any mutilated, lost, stolen or destroyed Note shall have matured, instead of issuing a duplicate Note, the County may pay it without surrender thereof. The County may charge the holder of the Note with the reasonable fees and expenses of the County in this connection.

Section 12 Defeasance of Notes

If the County deposits with the Paying Agent or other escrow agent either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity of the Notes to be defeased, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys ("Defeasance Obligations"), which, together with the moneys, if any, so deposited at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due or to become due on and prior to the maturity date, and pays or makes provision for payment of all fees, costs, and expenses of the County and the Paying Agent (or other escrow agent) due or to become due with respect to such Note, all liability of the County with respect to such Note shall cease, such Note shall be deemed not to be outstanding hereunder, and the holder or holders of such Note shall be restricted exclusively to the moneys or Defeasance Obligations so deposited, together with any earnings thereon, for any claim of whatsoever nature with respect to such Note, and the Paying Agent (or other escrow agent) shall hold such moneys, Defeasance Obligations, and earnings in trust for such holder or holders. In determining the sufficiency of the moneys and Defeasance Obligations deposited pursuant to this Section, the Paying Agent shall receive, and may rely upon: (a) a verification report of a firm of nationally recognised independent certified public accountants or other qualified firm acceptable to the County and the

Paying Agent; and (b) an opinion of Bond Counsel to the effect that all conditions set forth in this Section have been satisfied. Upon such defeasance all rights of the County, including its right to provide for optional redemption of the Note on dates other than planned pursuant to such defeasance, shall cease unless specifically retained by filing a written notification thereof with the Paying Agent at the time the Defeasance Obligations are deposited with the Paying Agent (or other escrow agent).

ARTICLE VII

APPLICATION OF NOTE PROCEEDS

Section 1 **Application of Note Proceeds**

All proceeds of the Notes shall be applied as directed by the Administrator to pay costs of the Project and issuance costs of the Notes. Proceeds of any renewal or refunding Notes shall be applied to refund outstanding Notes or as otherwise provided in the resolution of County Council authorizing their issuance.

Section 2 **Purchaser of Notes Not Liable for Proper Application of Proceeds**

No purchaser or holder of the Notes shall be liable for the proper application of the proceeds thereof.

ARTICLE VIII

SECURITY FOR THE NOTES

Section 1 **Agreement to Issue Bonds or Refunding Notes**

The County Council covenant and agree, pursuant to Section 11-17-20 of the Note Enabling Act to issue and sell the Bond, in the manner prescribed by the Bond Enabling Act in an amount sufficient to retire the Notes, prior to the maturity of the Notes or to issue refunding Notes in such a sufficient amount.

Section 2 **Security for the Notes**

For the payment of the Notes, there are hereby pledged the proceeds to be derived from the sale of the Bond to be issued by the County or, if the Bond is not issued prior to the maturity of the Notes, from the sale of an issue of renewal or refunding bond anticipation notes, together with the full faith, credit, and taxing power of the County.

Section 3 **No Additional Amount of Notes Except Junior Notes**

The County agrees with the holders of the Notes that the County will not issue additional bond anticipation notes in an amount such that the outstanding principal amount of all Notes outstanding are in excess of \$1,308,200 in anticipation of the issuance of the Bond unless the same are expressly made junior to the Notes authorized by this Ordinance.

Section 4 All Notes Equally and Ratably Secured

All Notes authorized by and issued pursuant to this Ordinance shall be secured equally and ratably as provided in Section 2 of this Article.

Section 5 Performance of Covenants; Authority of the County

The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Note Enabling Act, in this Ordinance, in the Notes executed and delivered hereunder, and in all proceedings pertaining thereto. The County covenants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue the Notes authorized hereby, to enact this Ordinance, and to pledge the proceeds of the Bond hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Notes and the enactment of this Ordinance has been duly and effectively taken; and that the Notes in the hands of the holders thereof are and will be valid and enforceable obligations of the County according to the import thereof.

ARTICLE IX

MISCELLANEOUS

Section 1 Execution of Closing Documents and Certificates

The Chairman, the Clerk, the Administrator, and all other officers and employees of the County, are fully authorized, empowered, and directed to take all further action and to execute and deliver any and all documents, instruments, and certificates and to do and to cause to be done any and all acts and things as may be necessary and proper in order to complete the issuance of the Bond and the Notes herein authorized and the action of such officers or any one or more of them in executing and delivering any documents, in the form as he or they shall approve, or in carrying out the transactions contemplated by this Ordinance is hereby fully authorized.

Section 2 Vice-Chairman May Act in Chairman's Absence; Acting Clerk May Act in Clerk's Absence

In the absence of the Chairman, the Vice-Chairman of the County Council is fully authorized to exercise all powers vested in the Chairman under this Ordinance. In the absence of the Clerk, the acting Clerk of the County is fully authorized to exercise all powers and take all actions vested in the Clerk under this Ordinance.

Section 3 Benefits of Ordinance Limited to the County and Registered Owners of the Bonds and Notes

With the exception of rights or benefits herein expressly conferred, nothing expressed or mentioned in or to be implied from this Ordinance or the Bond or Notes is intended or should be construed to confer upon or give to any person other than the County and the Registered Owners of the Bond and Notes, respectively, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Ordinance or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Ordinance and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the County and the Registered Owners from time to time of the Bond and the Notes as herein and therein provided.

Section 4 Ordinance Binding Upon Successors or Assigns of the County

All the terms, provisions, conditions, covenants, warranties, and agreements contained in this Ordinance shall be binding upon the successors and assigns of the County and shall inure to the benefit of the Registered Owners of the Bond and the Notes.

Section 5 No Personal Liability

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the County contained in this Ordinance or the Bond or the Notes, against any member of the County Council, or any officer or employee of the County, as such, in his or her individual capacity, past, present, or future, either directly or through the County, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Ordinance and the Bond and the Notes are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any member, officer, or employee as such, past, present, or future, either directly or by reason of any of the obligations, covenants, promises, or agreements, entered into between the County and the Registered Owners of the Bond and the Notes or to be implied therefrom as being supplemental hereto or thereto; and that all personal liability of that character against every such member, officer, and employee is, by the enactment of this Ordinance and the execution of the Bond and the Notes, and as a condition of, and as a part of the consideration for, the enactment of this Ordinance and the execution of the Bond and the Notes, expressly waived and released. The immunity of the members, officers, and employees, of the County under the provisions contained in this Section shall survive the termination of this Ordinance.

Section 6 Effect of Saturdays, Sundays and Legal Holidays

Whenever this Ordinance requires any action to be taken on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of the Paying Agent is located, the action shall be taken on the first secular or business day occurring thereafter. Whenever in this Ordinance the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday or bank holiday in the State of South Carolina or in a state where the office of the Paying Agent is located, the time shall continue to run until midnight on the next succeeding secular or business day.

Section 7 Partial Invalidity

(a) If any one or more of the covenants or agreements or portions thereof provided in this Ordinance on the part of the County or the Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Ordinance and the invalidity thereof shall in no way affect the validity of the other provisions of this Ordinance or of the Bond, but the Registered Owners of the Bond and the Notes shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

(b) If any provisions of this Ordinance shall be held or deemed to be or shall, in fact, be inoperative or unenforceable or invalid as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable or invalid in any other case or circumstance, or of rendering any other provision or provisions herein contained inoperative or unenforceable or invalid to any extent whatever.

Section 8 Continuing Disclosure Undertaking

Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended (“Section 11-1-85”), the County Council covenant to file with a central repository for availability in the secondary bond market when requested:

(i) An annual independent audit, within thirty days of the County Council’s receipt of the audit; and

(ii) Event specific information within 30 days of an event adversely affecting more than five percent of the aggregate of revenues of the County.

The only remedy for failure by the County Council to comply with the covenant in this Section shall be an action for specific performance of this covenant. The County Council specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85, without the consent of any Registered Owner of any Bond or Notes.

Section 9 Law and Place of Enforcement of the Ordinance

This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina and all suits and actions arising out of this Ordinance shall be instituted in a court of competent jurisdiction in said State.

Section 10 Effect of Article and Section Headings and Table of Contents

The heading or titles of the several Articles and Sections hereof, and any table of contents appended hereto or to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Ordinance.

Section 11 Repeal of Inconsistent Ordinances and Resolutions

All ordinances and resolutions of the County Council, and any part of any resolution or ordinance, inconsistent with this Ordinance are hereby repealed to the extent of the inconsistency.

Section 12 Notice of Enactment of Ordinance

Upon enactment of this Ordinance, notice, substantially in the form attached hereto as Exhibit B, of the enactment of this Ordinance shall be published in Jasper County Sun Times, a newspaper of general circulation in the County if so directed by the Administrator.

Section 13 Effective Date of this Ordinance

This Ordinance shall become effective upon approval following third reading.

Enacted this 2nd day of March, 2020.

JASPER COUNTY, SOUTH CAROLINA

Chairman

ATTEST:

Clerk

EXHIBIT A

FORM OF BOND

STATE OF SOUTH CAROLINA
COUNTY OF JASPER
FIRE PROTECTION SERVICE GENERAL OBLIGATION BOND
(CHERRY POINT FIRE PROTECTION DISTRICT)
SERIES 20__

NO. R-1

Closing Date: _____, 20__

KNOW ALL MEN BY THESE PRESENTS, that **JASPER COUNTY, SOUTH CAROLINA** (hereinafter called the “County”), a body corporate and politic and a political subdivision under the laws of the State of South Carolina, is justly indebted and, for value received, hereby promises to pay to the UNITED STATES OF AMERICA, acting through the Department of Agriculture (the “Government”), or registered assigns, the principal sum of ONE MILLION THREE HUNDRED EIGHT THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$1,308,200.00), plus interest from the date of delivery at the rate of three and 500/1000 per centum (3.500%) per annum, payable annually, beginning one year from the date of delivery of this Bond and closing of the Loan (if such date be the 29th, 30th, or 31st day of the month, then on the 28th day of each month) and on the same day of each year through and including the final maturity date hereof on _____, 20__, as follows: interest only for the first three (3) annual payments followed by twenty-seven (27) fully amortized annual installments of both principal and interest in the amount of \$_____ each.

Both the principal hereof and interest hereon are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for payment of public and private debts.

FOR THE PROMPT PAYMENT HEREOF, both principal and interest, as the same shall become due, the full faith, credit, and taxing power, of the County are irrevocably pledged.

EVERY PAYMENT made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal. Refunds and extra payments, as defined in the regulations of the U.S. Department of Agriculture, Rural Development (“Rural Development”), according to the source of funds involved, shall, after payment of interest, be applied to the installment last to become due under this Bond and shall not affect the obligation of the County to pay the remaining installments as scheduled herein.

ALL PAYMENTS by way of principal and interest shall be paid to the Government, or its legal representative, successors or registered assigns at the District Office of Rural Development, Walterboro, South Carolina, without presentation or surrender of this Bond.

THE GOVERNMENT at any time may assign and transfer this Bond in the manner hereinafter noted (and, if it wishes, insure the payment thereof) and, in such case, notwithstanding

that this Bond shall no longer be held by the Government, the County shall continue to effect the payment of all sums due hereon by way of principal and interest to the Government, as collection agent for the registered owner.

WHILE THIS BOND is held by a party other the Government, prepayments made by the County may, at the option of the Government, be remitted by the Government to the registered owner promptly or, except for the final payment, be retained by the Government and remitted to the registered owner on either a calendar quarter basis or an annual basis. The effective date of every prepayment made by the County, except payments retained and remitted by the Government on an annual basis, shall be the date of the United States Treasury check by which the Government remits the payment to the registered owner. The effective date of every prepayment retained and remitted by the Government to the registered owner on an annual installment due basis, shall be the date of prepayment by the County, and the Government will pay the interest to which the registered owner is entitled accruing between the effective date of such prepayment and the date of the United States Treasury check by which the Government remits the payment to the registered owner.

THE COUNTY hereby confirms the certification by the County that the County is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

IF AT ANY TIME it shall appear to the Government that the County may be able to obtain a loan from a reasonable cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, the County will, at the Government's request, apply for and accept such loan in an amount sufficient to prepay this Bond on the next available prepayment date.

THIS BOND is given as evidence of a loan to the County made by the Government pursuant to the Consolidated Farm and Rural Development Act and shall be subject to the present regulations of Rural Development and to its future regulations not inconsistent with the express provisions hereof.

ON ANY INTEREST payment date, principal installments due on this Bond may be prepaid prior to their due dates at the option of the County, either in whole or in part, from any money which may be made available for that purpose or deposited with or paid to the registered owners (the "Registered Owners") on or before the due date of such installments. If installments are prepaid in part, such prepayments shall be in the inverse chronological order of such installments in whole multiples of \$1,000.

THIS BOND shall at all times be registered as to principal and interest in the name of the registered owner hereof on books of registry (the "Books of Registry") of the County maintained by the County and to be kept in the office of the County in Jasper, South Carolina, and each transfer to be valid shall be made on the Books of Registry and similarly noted on this Bond.

THE PERSON IN WHOSE NAME the Bond shall be registered on the Books of Registry shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Bond shall be made only to or upon the order of the Registered

Owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon such Bond to the extent of the sum or sums so paid.

THIS BOND is one of an issue of bonds of like original date of issue, tenor, and effect except as to number, denomination, date of authentication, and registered owner, aggregating One Million Three Hundred Eight Thousand Two Hundred and No/100 Dollars (\$1,308,200.00), issued pursuant to and for purposes authorized by Title 4, Chapter 19 of the Code of Laws of South Carolina 1976, as amended, as amended and continued by Section 11-27-40 of the Code of Laws of South Carolina 1976, as amended; and an ordinance (the “Ordinance”) duly enacted by the County Council of Jasper County, South Carolina; in order to defray the costs of acquisition and construction of the Marsh Cove Fire Substation and related costs and costs of issuance of the Bond.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things, required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed, precedent to or in the issuance of this Bond exist, have happened, and have been done and performed in regular and due time, form, and manner; that the total indebtedness of the County, including this Bond, does not exceed any constitutional or statutory limitation thereon; and that provision has been made for the levy and collection of sufficient annual taxes, without limit, for the payment of the principal and interest hereof, as they should fall due.

IN WITNESS WHEREOF, JASPER COUNTY, SOUTH CAROLINA, has caused this bond to be signed in its name by the Chairman of County Council of Jasper County, by his manual signature, attested by the Clerk of the County Council of Jasper County, by her manual signature, under the Seal of Jasper County impressed or reproduced hereon, and this Bond to be originally dated the Closing Date set forth above.

JASPER COUNTY, SOUTH CAROLINA

(SEAL)

By: _____
Chairman
County Council of Jasper County,
South Carolina

ATTEST:

Clerk
County Council of Jasper County,
South Carolina

CERTIFICATE OF ADVANCES

[illegible]

EXHIBIT B

FORM OF NOTICE OF ENACTMENT

**NOTICE OF ENACTMENT OF ORDINANCE AUTHORISING ISSUANCE
OF NOT EXCEEDING \$1,308,200 GENERAL OBLIGATION BONDS OF
JASPER COUNTY, SOUTH CAROLINA AND NOT TO EXCEED AT ANY
TIME OUTSTANDING \$1,308,200 GENERAL OBLIGATION BOND
ANTICIPATION NOTES OF JASPER COUNTY, SOUTH CAROLINA**

Notice is hereby given that the County Council of Jasper County, South Carolina (the “County”) has enacted an Ordinance authorizing the issuance of not exceeding \$1,308,200 General Obligation Bonds of the County and not to exceed at any time outstanding \$1,308,200 General Obligation Bond Anticipation Notes of Jasper County, South Carolina secured by a pledge of the full faith, credit, and taxing power of the County.

By order of the County Council of Jasper County, South Carolina.

EXHIBIT C

FORM OF BOND ANTICIPATION NOTE

**JASPER COUNTY, SOUTH CAROLINA
FIRE PROTECTION SERVICE
GENERAL OBLIGATION BOND ANTICIPATION NOTE
(CHERRY POINT FIRE PROTECTION DISTRICT)
SERIES 20__**

No. R-1 \$_____.00

MATURITY DATE _____, _____ ORIGINAL DATE OF ISSUE _____, _____

CUSIP: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ and no/100 Dollars (\$_____)

JASPER COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision under the laws of the State of South Carolina (the “County”), FOR VALUE RECEIVED promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Amount set forth above, on the Maturity Date set forth above, together with interest from the date hereof on such Principal Amount at the rate of _____ and ___/100 per centum (_____%) per annum, payable on _____, _____.

THIS NOTE is one of an issue of bond anticipation notes (the “Notes”) of like tenor and effect, except as to number, denomination, and registered owner, in the aggregate original principal amount of \$_____, being issued pursuant to an ordinance enacted by the County Council (the “County Council”) of the County (the “Ordinance”), pursuant to and for the purposes authorized by Article X, Section 14, Paragraph 8 of the South Carolina Constitution and Title 11, Section 17 of the Code of Laws of South Carolina 1976, as amended, in anticipation of the receipt of the proceeds of a Fire Protection Service General Obligation Bond (Cherry Point Fire Protection District) of the County in the principal amount of not exceeding \$_____ (the “Bond”) to be issued by the County pursuant to the provisions of Title 4, Chapter 19 of the Code of Laws of South Carolina 1976, as amended, to provide permanent financing for a portion of the costs of the construction of the Marsh Cove Fire Substation Project in Jasper County. All capitalized terms not defined herein are defined in the Ordinance.

THE COUNTY COUNCIL have covenanted and agreed to issue and sell the Bond, in an amount sufficient to retire the Notes, prior to the maturity thereof or to issue renewal or refunding bond anticipation notes in such a sufficient amount. The County Council expressly reserve the right to issue additional bond anticipation notes secured by a pledge of the proceeds of the Bond on a

parity with the pledge securing this Note so long as the total outstanding principal amount of notes secured by a pledge of the proceeds of the Bond (including this Note) do not exceed \$_____.

FOR THE PROMPT PAYMENT HEREOF, there are hereby pledged (i) the proceeds to be derived from the sale of the Bond to be issued by the County or, if the Bond is not issued prior to the maturity of the Notes, from the sale of an issue of renewal or refunding bond anticipation notes, and (ii) the full faith, credit, and taxing power of the County.

[**THIS NOTE** is not subject to redemption prior to its stated maturity.]

THE ORDINANCE contains provisions defining terms; sets forth the terms and conditions upon which the covenants, agreements, and other obligations of the County made therein may be discharged at or prior to the maturity of this Note with provisions for the payment thereof in the manner set forth in the Ordinance; and sets forth the terms and conditions under which the Ordinance may be amended or modified with or without the consent of the Registered Owner of this Note. Reference is hereby made to the Ordinance to all provisions of which any Registered Owner of this Note by the acceptance hereof thereby assents.

THE PRINCIPAL AND INTEREST on this Note, when due, shall be payable at the office of _____ (the "Paying Agent"), in _____, _____. This Note may be transferred only upon assignment duly executed by the Registered Owner. So long as any amount remains outstanding hereunder, there may be only one Registered Owner of this Note at any time. Any purported assignment in contravention of the foregoing requirements shall be, as to the County, absolutely null and void. The person in whose name this Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Note shall be made only to or upon the order of the Registered Owner or his legal representative. All payments made in this manner shall be valid and effective to satisfy and discharge the liability of the County upon this Note to the extent of the sum or sums so paid. No person other than the Registered Owner shall have any right to receive payments, pursue remedies, enforce obligations, or exercise or enjoy any other rights under this Note against the County. Notwithstanding the foregoing, nothing herein shall limit the rights of a person having a beneficial interest in this Note as against a person (including the Registered Owner) other than the County, as in the case where the Registered Owner is a trustee or nominee for two or more beneficial owners of an interest in this Note.

[**THIS NOTE** shall not be entitled to any benefit the Ordinance or become valid or obligatory for any purpose until it shall have been authenticated by the execution of the Certificate of Authentication which appears hereon by the manual signature of an authorized officer of the authenticating agent.]

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, and to be performed, precedent to or in the issuance of this Note, exist, have happened, and have been done and performed in regular and due time, form, and manner, and the amount of this Note and the issue of which it is a part does not exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, JASPER COUNTY, SOUTH CAROLINA, has caused this Note to be signed in its name by the Chairman of the County Council of Jasper County, by his manual signature, attested by the Clerk of the County Council of Jasper County, by her manual signature, under the Seal of Jasper County, impressed hereon, and this Note to be originally dated the original date of issue set forth above.

JASPER COUNTY, SOUTH CAROLINA

By: _____
Chairman
County Council of Jasper County,
South Carolina

ATTEST:

Clerk
County Council of Jasper County,
South Carolina

[CERTIFICATE OF AUTHENTICATION]

This Note is one of the Notes of the issue designated herein and issued under the provisions of the within-mentioned Ordinance.

_____,
as Authenticating Agent

Date of Authentication: _____, 2019

By _____
Authorized Officer]

The following abbreviations, when used in the inscription on the face of this note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____

(Cust)

Custodian _____

(Minor)

under Uniform Gifts to Minors Act _____

(State)

Additional abbreviations may also be used, though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto _____ (Social Security No. or Other Identifying Number of Assignee _____) the within note, and does hereby irrevocably constitute and appoint _____ to transfer the said note on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____

Signature of Owner: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar programme.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

EXHIBIT D

COPY OF LETTER OF CONDITIONS